31 August 2023

ASX Code: MXC

LSE Code: MXC

Appendix 4E – Preliminary Final Report

MGC Pharmaceuticals Ltd (**MGC Pharma**, **MGC** or the **Company**) is pleased to provide its Preliminary Final Report (Appendix 4E) for the year ended 30 June 2023 in accordance with LR4.3A.

-Ends-

Authorised for release by the board of directors, for further information please contact:

MGC Pharmaceuticals Ltd
Roby Zomer
CEO & Managing Director
+61 8 6555 2950
info@mgcpharma.co.uk

MGC Pharmaceuticals Ltd
Rowan Harland
Company Secretary
+61 8 6555 2950
info@mgcpharma.co.uk

UK IR/PR Advisers
IFC Advisory
Graham Herring / Tim Metcalfe / Zach Cohen
+44 203 934 6630
mgcpharma@investor-focus.co.uk

UK Brokers
Oberon Capital
Aimee McCusker / Adam Pollock
+44 203 179 5300
aimeemccusker@oberoninvestments.com
adampollock@oberoninvestments.com

About MGC Pharma

MGC Pharmaceuticals Ltd (LSE: MXC, ASX: MXC) is a European based pharmaceutical company, focused on developing and supplying accessible and ethically produced plant derived medicines, combining in-house research with innovative technologies, with the goal of finding or producing treatments to for unmet medical conditions.

The Company's founders and executives are key figures in the global pharmaceuticals industry and the core business strategy is to develop and supply high quality plant derived medicines for the growing demand in the medical markets in Europe, North America and Australasia.

MGC Pharma has a robust development pipeline targeting two widespread medical conditions and has further products under development.

MGC Pharma has partnered with renowned institutions and academia to optimise the development of targeted plant derived medicines, to be produced in the Company's EU-GMP Certified manufacturing facilities.

MGC Pharma has a growing patient base in Australia, the UK, Brazil and Ireland and has a global distribution footprint via an extensive network of commercial partners meaning that it is poised to supply the global market.

Follow us through our social media channels:

LinkedIn: MGC Pharmaceuticals Ltd.
Twitter: @MGC_Pharma
Facebook: @mgcpharmaceuticals
Instagram: @mgc_pharma

ASX RELEASE

MGC PHARMACEUTICALS LTD

ABN 30 116 800 269

Appendix 4E and Unaudited Preliminary Financial Report

30 June 2023

MGC Pharmaceuticals Ltd provides the following information under Listing Rule 4.3A:

Details of reporting period and the previous corresponding period

REPORTING PERIOD

Financial Year ended 30 June 2023

PREVIOUS REPORTING PERIOD

Financial Year ended 30 June 2022

Results for announcement to the market

	30 June 2023 $	Change %	30 June 2022 $
Revenue	**3,387,567**	**(28.4%)**	4,732,012
Net (Loss) from ordinary activities *after tax attributable to members*	**(21,133,535)**	**(23.3%)**	(17,138,732)

	2023 Cents	2022 Cents
Earnings / (loss) per share	(0.71)	(0.79)
Net tangible assets per ordinary share*	(0.24)	0.07

** The calculation on net tangible assets per ordinary share includes right-of-use assets and lease liabilities.*

Dividends and distributions

The Board has not declared dividends or made dividend payments during the current financial period. The Company does not have any dividend or distribution reinvestment plans in operation.

Commentary on results

- 2023 delivered a year of great productivity and significant business growth for the Company's innovative medicinal products, with strong sales amounting to A$1,914k (A$1,553k last year).
  - CannEpil® MGC's Investigational Medicinal Product ("IMP") is now available in the United Kingdom by Named Patient Request to be prescribed by doctors on The General Medical Council ("GMC") specialist register across the UK
  - CannEpil® was also received the first UK patient, through the 'I AM Billy Foundation', supporting the RESCAS study.
- The legacy revenue experienced a year-on-year reduction, mainly due to change in legislation in Australia.

Review of Operations

Highlights

Research & Development

- CannEpil®, MGC Pharma's Investigational Medicinal Product ("IMP") is now available in the United Kingdom by Named Patient Request to be prescribed by doctors on The General Medical Council ("GMC") specialist register across the UK.
- Clinical trials to be used in the US FDA Investigational New Drug submission continue to demonstrate the efficacy and the anti-inflammatory effects of CimetrA®; these include pharmacokinetic profile and Mechanism of Action studies.
- Over the Counter Status granted to COVID-19 clinically tested product ArtemiC™ in the USA, can now be stocked on USA pharmacy shelves; supply and distribution partner, AMC, has submitted a purchase order to the value of US$2 million following the listing on the National Drug Code Database.

- Peer reviewed Glioblastoma research findings published in international scientific research journal MDPI.
- Clinical study to assess the impact of ArtemiC™ on patients suffering from Long-COVID was completed, demonstrating ArtemiC™(Cimet's ability to allieviate physical syptoms and mental confusion of study participants.

Operations

- MGC's Maltese fully automated, large scale pharmaceutical production facility was granted EU-Good Manufacturing Practice (GMP) certification.
- After a strategic review of operations, the board implemented further cost reductions, consisting of a ~35% reduction in director fees, and key executive officers of the Company agreeing to a 10-20% reduction in their cash remuneration.

Licences, Approvals and Distributions Agreements

- The first UK patient received CannEpil® through the 'I AM Billy Foundation', supporting the RESCAS study.
- Key US and EU commercial partnerships expanded, with delivery of $1m order of ArtemiC™ to US supply and distribution partner, AMC Holdings Inc.
- Upgrade and EU GMP recertification of Slovenian production and research facility completed, along with independent audit and inspection by key EU/UK distribution partner Sciensus Rare.
- The first patient was enrolled in the ZAM app in association with an observational trial for CannEpil® on patients with Refractory, or drug resistant, Epilepsy.

Corporate

- MGC completed a successful UK led fundraising, raising a total of £1,204,525 (A$2,204,281) supported by new and existing shareholders, brokers, and high net worth individuals in both the UK and Australia.
- Layton Mills was appointed as a Non-Executive Director of the Company.

Research and development / clinical trials

CannEpil® and ZAM

The first patient was enrolled in the Company's proprietary data collection app and machine learning algorithm, ZAM, in order to log the data from an observational study monitoring the effects of **CannEpil®**, MGC Pharma's epilepsy treatment. The app records daily metrics from patients, their symptoms, and the impact of their treatment in order to establish a baseline. This will provide both MGC Pharma and medical practitioners with a detailed record of the study and an enhanced understanding of the effects of **CannEpil®** on Refractory Epilepsy patients.

CimetrA™

MGC Pharma completed pre-clinical rodent studies on **CimetrA™** in January, a major step in the clinical pathway to the targeted US Food and Drug Administration (FDA) IND Submission**.** Research using rodent and mammalian models were used to delineate the pharmacokinetic profile and general safety of the drug, as well as identifying toxicity patterns over a given period for the treatment before it advances to the next stage of trials, as stipulated in the FDA criteria. No anomalies were observed over the course of the study, nor were any clinical or behavioural adverse events recorded.

In March, the Company completed the pre-clinical study on **CimetrA™,** exploring the Mechanism of Action (MoA) of the product. The study showed that the administering of **CimetrA™** following a stimulated immune response resulted in a significant decrease in IL-32 mRNA expression and a subsequent decrease in inflammation. This study was the final preclinical MoA study and will enable the Company to expand future trials to show its efficacy against further indications. The study results will form part of the FDA application to register CimetrA™ as an IND.

ArtemiC™ (CimetrA OTC Version)

In March, **ArtemiC™**, MGC Pharma's proprietary, clinically tested COVID-19 treatment, was granted over-the-counter (OTC) status on the National Drug Code Database (NDC) of the FDA, facilitated by MGC Pharma's supply

and distribution partner, AMC Pharma, LLC. **ArtemiC™** can now be found on the FDA National Drug Code Directory under the code: 83278.

OTC status means that AMC has been able to sell **ArtemiC™** via US-based Pharmacy Benefit Management (PBM) networks, including prescription discount services, since April 2023. AMC are negotiating with the largest US pharmacy networks, and independent pharmacies for the inclusion of **ArtemiC™** in shelf space now that the NDC has been listed, increasing retail access and subsequent sales.

Following the NDC Listing, AMC submitted a purchase order for US$2m of **ArtemiC™**, with production to commence immediately, for delivery in two instalments in Q3 and Q4 of this year. The NDC status was a major breakthrough for the company, as MGC Pharma works to expand global footprint and retail access.

Malta Production Facility- EU GMP Approval Granted

MGC's Maltese, fully automated, large scale pharmaceutical production facility was granted EU-Good Manufacturing Practice (GMP) certification.

A formal grant of GMP accreditation, an internationally recognised standard, guarantees high quality, standardised production protocols and further enables quality control of MGC proprietary products within key markets globally. The facility was built with the support of an 80% EU cash funded grant from Malta Enterprises, with the facility commissioned during 2022.

The facility will be able to produce all MGC medicines and supplements and will be able to provide third party production services for other pharmaceutical companies - adding a new potential revenue stream for MGC Pharma. MGC's in house production capacity in Malta is now over 20,000 units a day of finished dose forms, which can support all future needs of CannEpil® and CimetrA™ once marketing authorisation is obtained in the USA and Europe.

Pre-clinical Research collaboration

MGC Pharma's research, in collaboration with the National Institute of Biology in Slovenia, on the effect of Cannabidiol (**CBD**) and Cannabigerol (**CBG**) extracts on Glioblastoma[1] cells was published in the November 2022 edition of the peer review science journal, MDPI[2]. The research tested the effect of CBD and CBG extracts provided by MGC Pharmaceuticals, on Glioblastoma cells. The study found that the GPR55 and TRPV1 receptors were the best targets for the antagonistic cannabinoids CBD and CBG (in an optimised mixture) to eliminate Glioblastoma (**GBM**) stem cells and avoided using tetrahydrocannabinol (THC) a psychoactive compound found in cannabis, which is potentially harmful, particularly in older GBM patients, with MGC Pharma looking to undertake further tests in animal experiments and clinical trials.

Slovenian Ministry of Health approval for research with Psilocybin

During the year, MGC Pharma received permission from the Slovenian Ministry of Health to undergo scientific research development on the psychedelic compound Psilocybin. The permission granted covers the development of analytical methods, research of physical-chemical properties of Psilocybin and development of pharmaceutical forms that would be suitable for administration.

MGC Pharma is one of the first companies to obtain permission to undertake pharmaceutical research on Psilocybin and the first in Slovenia. The company plans to work with other pharmaceutical businesses to collaborate and provide research capabilities for understanding the properties of Psilocybin. This approval will allow MGC to take the Psychedelic industry one step closer to the pharmaceutical industry by helping to develop and research new medicines based on Psilocybin, and for MGC to provide such services to the growing industry of Psychedelics.

Funding and Cash Flow Reporting

During the year, the Company successfully raised £1.2 million (A$2.7m) (before expenses) by way of a conditional placing of 476,132,620 new ordinary shares of no-par value in the capital of the Company at a price of 0.44 pence (0.8 cents) per Placing Share, and 238,066,311 Fundraise Options. The Placing was supported by a mix of new and existing institutional and high net worth shareholder in both the UK and Australia, including Premier Miton and Cantheon Capital, in addition to the supplementary Broker Option raise.

[1] Glioblastoma is an aggressive form of cancer affecting the central nervous system.

[2] Research Paper "*The Cytotoxic Effects of Cannabidiol and Cannabigerol on Glioblastoma Stem Cells May Mostly Involve GPR55 and TRPV1 Signalling*" (https://www.mdpi.com/2072-6694/14/23/5918/pdf)

Subsequent Events

Post year end, the Company conditionally raised £0.65 million (A$1.24 million) (before expenses) by way of a placing and subscription of 541,666,667 new ordinary shares of no-par value (**Ordinary Shares**) in the capital of the Company (**Fundraising Shares**) at a price of 0.12 pence (0.23 cents) per Fundraising Share ("Issue Price"). The Company also agreed to issue one free attaching option exercisable at 0.12 pence (0.23 cents) with an expiry date of 14 July 2026 for every one Fundraising Share subscribed for under the Placement and Subscription.

Additionally, the Company launched a Share Purchase Plan to its Australian shareholders to raise up to $2,685,728. The Company received applications from eligible shareholders totalling A$834,000 to subscribe for 362,608,570 new fully paid ordinary shares in the capital of the Company at A$0.0023 (0.23 cents) per Share, with A$1,851,728 to be placed under a Shortfall Offer. Subject to shareholder approval to be sought at the Company's upcoming general meeting on 5 September 2023, applicants will receive one free attaching option exercisable at A$0.003 (0.3 cents) each on or before 31 July 2026 (Options) for every two (2) Shares subscribed for under the SPP, being 181,304,269 Options.

Corporate and Commercial News

Appointment of Joint Broker

As stated on 30 May 2023, Oberon Capital has been appointed as a joint broker in the UK with immediate effect alongside Peterhouse Capital.

Appointment of Public and Investor Relations Advisor

IFC Advisory has been appointed as the Company's new UK-based Public and Investor Relations advisers. The IFC team have in-depth experience in the pharmaceutical sector and will support MGC in its stated forward trajectory.

Personnel changes

On 1 June 2023 Mr Brett Mitchell and Mr Nativ Segev, stepped down from the Board, reflecting the changing direction of the Company as MGC Pharmaceuticals moves away from the medicinal cannabis sector toward a more pharma-focused business strategy. Dr Stephen Parker replaced Mr Mitchell as interim Non-Executive Chair.

MGC Pharma also appointed Mr. Layton Mills as a Non-Executive Director of the Company. Mr. Mills is an experienced life-sciences executive, having worked in the biotechnology and life sciences industries for over 15 years, developing significant experience across human and animal health in pharmaceutical and consumer healthcare. Mr. Mills is the founder of CannPal Animal Therapeutics Pty Ltd, an Animal Health Company developing cannabinoid-based veterinary medicines for FDA-CVM registration, which he led through an Initial Public Offering on the Australian Stock Exchange, followed by an acquisition by AusCann Group Holdings in 2021 where he served as CEO. Mr Mills is also the founder and Managing Director of Subgenix Lifesciences, an early-stage biotechnology Company using conventional drug development strategies to unlock the broader therapeutic potential of psychedelic compounds for rare and underserved health needs.

Change of Australian Registered Office and Principal Place of Business

The Company's Australian registered office and principal place of business have changed to the following:

Registered Office:	**Postal Address:**	**Telephone:**	**Fax**:
Suite 1, 295 Rokeby Road Subiaco WA 6008	Suite 1, 295 Rokeby Road Subiaco WA 6008	+61 8 6555 2950	+61 8 6166 0261

Details of subsidiaries over which control has been gained or lost

Not applicable.

Details of associates and joint venture entities

Not applicable.

Audit Status

The consolidated financial statements are in the process of being audited. It is anticipated that the independent audit report will include an emphasis of matter on going concern due to the Company not being self-funding at present.

Financial Report

The following financial report included in this Appendix 4E does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating, financing and investing activities of the consolidated entity as the full financial report. The financial report should be read in conjunction with any public announcements made by MGC Pharmaceuticals Limited in accordance with the continuous disclosure obligations of the ASX Listing Rules. The accounting policies applied are the same as those noted in the most recent interim financial report and previous annual report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

Continuing operations	***Note***	**30-Jun-23 $**	**30-Jun-22 $**
Revenue from contracts with customers	*1*	3,387,567	4,732,012
Cost of sales	*2a*	(1,936,890)	(2,922,120)
Gross profit		**1,450,677**	**1,809,893**
Other operating income		528,213	9,190
Administrative expenses	*2b*	(14,885,989)	(11,829,361)
Other operating expenses	*2c*	(3,642,897)	(4,323,682)
Fair value movement on financial instruments		86,636	(1,240,814)
Write-off/impairment expense	*2d*	(4,636,966)	(4,983,858)
Operating loss		**(21,100,326)**	**(20,558,62)**
Finance costs	*2e*	(308,980)	(210,42)
Finance income		(28,033)	301
Other income		305,822	650
Loss before income tax from continuing operations		**(21,131,517**	(20,767,823)
Income tax benefit / (expense)		(2,018)	-
Loss for the year from continuing operations		**(21,133,535)**	**(20,767,823)**
Loss for the year		**(21,133,535)**	**(20,767,823)**
Attributable to:			
Members of the parent entity		(20,823,583)	(20,347,439)
Non-controlling interest		(309,951)	(420,384)
		(21,133,535)	**(20,767,823)**
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on the translation of foreign operations		1,161,839	(942,191)
Other comprehensive income (net of tax) for the year		**1,161,839**	**(942,191**)
Total comprehensive loss for the year		**(19,971,696)**	**(21,710,014)**
Total comprehensive loss attributable to:			
Members of the parent entity		(20,000,570)	(21,170,411)
Non-controlling interest		28,874	(539,603)
		(19,971,696)	**(21,710,014)**
Earnings per share			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent	10	(0.71)	(0.79)
Earnings per share for continuing operations			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent	10	(0.71)	(0.79)

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30-Jun-23 $	30-Jun-22 $
CURRENT ASSETS			
Cash and cash equivalents		239,821	1,886,347
Inventory	*3*	1,259,519	1,837,803
Trade and other receivables	*4*	531,314	1,937,114
Prepayments		396,927	796,376
Total Current Assets		**2,427,581**	**6,457,640**
NON-CURRENT ASSETS			
Plant and equipment	*6*	6,864,412	6,664,798
Intangible assets	*5*	-	3,145,724
Investment in entities accounted for using equity method		-	-
Financial assets		-	155,971
Right-of-use assets		588,677	2,133,685
Total Non-Current Assets		**7,453,088**	**12,100,178**
TOTAL ASSETS		**9,880,669**	**18,557,818**
CURRENT LIABILITIES			
Trade and other payables	*8b*	3,303,825	3,519,206
Deferred revenue	*8a*	584,606	1,810,361
Financial liabilities at fair value through profit or loss	*7*	9,179,515	2,100,000
Lease liabilities - current		190,570	277,689
Total Current Liabilities		**13,258,516**	**7,707,256**
NON-CURRENT LIABILITIES			
Provisions		21,009	16,448
Deferred income	*8a*	4,351,392	3,679,413
Lease liabilities - non-current		384,569	1,974,918
Total Non-Current Liabilities		**4,756,970**	**5,670,779**
TOTAL LIABILITIES		**18,015,486**	**13,378,035**
NET ASSETS		**(8,134,817)**	**5,179,783**
EQUITY			
Contributed equity	*9*	103,709,600	97,251,478
Share based payment reserve		8,123,237	7,924,264
Foreign currency translation reserve		212,423	(610,591)
Consolidation reserve		(382,404)	(382,404)
Accumulated losses		(119,168,919)	(98,345,335)
Equity attributable to equity holders of the parent		**(7,506,063)**	**5,837,412**
Non-controlling interest		(628,755)	(657,629)
TOTAL EQUITY		**(8,134,817)**	**5,179,783**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Consolidation Reserve	Retained Earnings	Non-Controlling Interest	Total
	$	$	$	$	$	$	$
Balance at 1 July 2021	84,511,983	7,490,483	212,381	(382,404)	(77,997,896)	(8,648)	13,825,899
Other comprehensive income	-	-	(822,972)		-	(119,219)	**(942,191)**
Loss after income tax expense	-	-	-	-	(20,347,439)	(420,384)	**(20,767,823)**
Total comprehensive loss for the year	**-**	**-**	**(822,972)**	**-**	**(20,347,439)**	**(539,603)**	**(21,710,014)**
Shares issued during the year (net of costs)	9,243,118	-	-	-	-	-	**9,243,118**
Exercise of performance rights	406,050	(406,050)	-	-	-	-	**-**
Acquisition of Czech/Russia	-	-	-	-	-	(109,378)	**(109,378)**
Share based payments	90,545	839,831	-	-	-	-	**930,376**
Equity issued to extinguish financial liabilities	-	-	-	-	-	-	**-**
Exercise of options	509,081	-	-	-	-	-	**509,081**
Conversion of convertible note	2,490,701	-	-	-	-	-	**2,490,701**
Balance at 30 June 2022	**97,251,478**	**7,924,264**	**(610,591)**	**(382,404)**	**(98,345,335)**	**(657,629)**	**5,179,783**
Other comprehensive income			**823,014**	**-**	**-**	**338,825**	**1,172,625**
Loss after income tax expense			**-**	**-**	**(20,823,583)**	**(309,951)**	**(19,441,591)**
Total comprehensive loss for the year			**1,113,989**	**-**	**(20,823,353)**	**28,874**	**(18,268,966)**
Shares issued during the year (net of costs)	**2,768,965**	**-**	**-**	**-**	**-**	**-**	**2,768,965**
Acquisition of ZAM Ltd	**1,231,245**	**-**	**-**	**-**	**-**	**-**	**1,231,245**
Share based payments	**1,108,212**	**198,973**	**-**	**-**	**-**	**-**	**1,307,185**
Equity issued to extinguish financial liabilities	**1,336,500**	**-**	**-**	**-**	**-**	**-**	**1,336,500**
Conversion of convertible notes		**-**	**-**	**-**	**-**	**-**	**-**
Exercise of performance rights	**13,200**	**-**	**-**	**-**	**-**	**-**	**13,200**
Balance at 30 June 2023	**103,709,600**	**8,123,237**	**212,423**	**(382,404)**	**(119,168,919)**	**(628,755)**	**(8,134,818)**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	30-Jun-23 $	30-Jun-22 $
Cash flows from operating activities			
Receipts from customers		3,959,182	6,378,021
Payments to suppliers and employees		(13,115,970)	(14,269,818)
Payments for research activities		(1,776,694)	(4,241,927)
Research and development rebate		371,215	-
Government grant		-	651
Interest received		43,591	301
Interest paid		(2,169)	(25,453)
Net cash used in operating activities		**(10,520,845)**	**(12,158,225)**
Cash flows from investing activities			
Cash acquired through assets Acquisition (MGC Czech)		-	151,426
Government grant received relating to plant and equipment		790,420	1,586,467
Investments in unrelated entities		-	(155,971)
Purchase of plant and equipment / assets under construction		(738,670)	(2,693,100)
Net cash used in investing activities		**51,750**	**(1,111,177)**
Cash flows from financing activities			
Proceeds from issue of shares and conversion of options		2,698,390	10,703,451
Proceeds from borrowings		6,948,115	-
Payment of lease liabilities		(373,969)	(263,008)
Partial repayment of loan by third party		119,927	61,424
Transaction costs on issue of shares		(81,431)	(764,061)
Net cash provided by financing activities		**9,311,032**	**9,737,806**
Net increase / (decrease) in cash and cash equivalents held		**(1,158,063)**	**(3,531,597)**
Cash and cash equivalents at beginning of year		1,886,347	5,433,241
Foreign exchange movement in cash		(488,463)	(15,297)
Cash and cash equivalents at end of year		**239,821**	**1,886,347**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Condensed Consolidated Financial Statements

For the year ended 30 June 2023

1. REVENUE FROM CONTRACTS WITH CUSTOMERS

	30-Jun-23	30-Jun-22
Sales revenue	**$**	**$**
Pharma sales	2,506,782	4,026,130
Consulting services	6,967	477,666
Non-pharma sales	873,818	228,216
	3,387,567	**4,732,012**

2. COST OF SALES AND EXPENSES

	30-Jun-23	30-Jun-22
a) Cost of sales	**$**	**$**
Cost of goods sold - Pharma	1,862,942	2,466,362
Cost of goods sold - Clinical	6,296	415,255
Cost of sales - Consulting	67,652	40,503
	1,936,890	**2,922,120**
b) Administrative expenses		
Corporate costs	276,396	376,799
Professional and consultancy fees	976,377	1,270,081
Directors' fees	975,063	1,127,436
Employee benefit expenses (including shares)	8,160,364	4,440,100
Travel expenses	924,940	975,851
Marketing expenses	926,914	1,009,157
Depreciation	493,734	247,689
Office and administrative expenses	2,152,202	2,382,248
	14,885,989	**11,829,361**
c) Other operating expenses		
Unrealised foreign exchange	33,320	(240,520)
Realised foreign exchange	1,183,422	155,952
Inventory write-off	164,215	166,323
Laboratory operation expenses	269,360	1,524,130
Research expense	1,992,670	2,717,797
	3,642,897	**4,323,682**
d) Impairment expense		
Impairment of goodwill	3,145,724	3,903,156
Impairment of investment	1,491,242	0
Impairment of work-in-progress balance on delayed site	-	1,080,702
	4,636,966	**4,983,858**
e) Finance cost		
Finance costs	308,890	210,142
	308,890	**210,142**

3. INVENTORY

	30-Jun-23	30-Jun-22
	$	**$**
Finished goods – at lower of cost or net realisable value	420,422	819,615

Raw materials – at cost	839,097	1,018,188
	1,259,519	**1,837,803**

4. TRADE AND OTHER RECEIVABLES

	30-Jun-23	30-Jun-22
Current	**$**	**$**
Trade receivables	208,742	738,531
Expected credit loss on trade receivables	-	-
Other receivables	249,259	422,515
GST/VAT receivable	73,313	776,068
Loan to third party	-	-
	531,314	**1,937,114**

5. INTANGIBLE ASSETS

	30-Jun-23	30-Jun-22
Intangible assets (provisional)	**$**	**$**
Opening balance at 1 July	3,145,724	7,048,880
- Written off/impairment	(3,145,724)	(3,903,156)
	-	**3,145,724**

6. PLANT AND EQUIPMENT

	30-Jun-23	30-Jun-22
Plant and equipment	**$**	**$**
- at cost	2,664,865	2,203,496
- accumulated depreciation	(1,824,984)	(1,353,483)
	839,882	850,013
Capital Work in Progress		
- at cost	6,236,017	5,814,785
- accumulated depreciation	(211,488)	
	6,024,530	
Total property, plant and equipment	**6,864,412**	**6,664,798**

7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30-Jun-23	30-Jun-22
Financial liabilities at fair value through profit or loss	**$**	**$**
Convertible notes		
Opening balance – at 1 July	2,100,000	4,034,763
Issue of convertible notes	6,948,106	-
Converted to ordinary shares	-	(2,490,701)
Loss on remeasurement of financial liability	131,408	555,938
Closing balance – fair value at 30 June	**9,179,515**	**2,100,000**

8. PAYABLES AND DEFERRED REVENUE/INCOME

a) Deferred Revenue/Income

	30-Jun-23	30-Jun-22
Current	**$**	**$**
Deferred revenue	584,606	1,810,361
Closing balance	**584,606**	**1,810,361**

	30-Jun-23	30-Jun-22
Non-Current	**$**	**$**
Deferred income - Malta grant[1]	4,351,392	3,679,413
Closing balance	**4,351,392**	**3,679,413**

1. During the prior year, the Group received approval for a grant from Malta Enterprises to cover 80% of the construction costs of a production facility, to the value of €3,073,000 ($4,925,000).

b) Trade and other payables

	30-Jun-23	30-Jun-22
	$	**$**
Trade payables	2,185,662	2,523,618
Accruals	535,546	688,128
Other payables	582,617	307,460
Closing balance	**3,303,825**	**3,519,206**

9. CONTRIBUTED EQUITY

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	NUMBER	**NUMBER**	**$**	**$**
Ordinary shares on issue, fully paid	3,350,692,950	2,728,293,852	103,709,600	97,251,478
Unissued shares	-	-	-	-
	3,350,692,950	**2,728,293,852**	**103,709,600**	**97,251,478**

10. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of the basic and diluted earnings per share as follows:

	30-Jun-23	30-Jun-22
Earnings per share		
Basic loss per share (cents)	(0.71)	(0.79)
Diluted loss per share (cents)	(0.71)	(0.79)
Earnings per share from continuing operations		
Basic loss per share (cents)	(0.71)	(0.79)
Diluted loss per share (cents)	(0.71)	(0.79)
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	**$**	**$**
From continuing operations	(20,823,583)	(20,347,439)
From discontinued operations	-	-
	(20,823,583)	(20,347,439)
	Number	**Number**

Weighted average number of ordinary shares and potential ordinary shares		
Weighted average number of ordinary shares used in calculating basic and diluted EPS	2,941,177,984	2,566,210,688

11. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end, the Company had the following events for disclosure:

- AMC Pharma (AMC) placed a US$1m purchase order for ArtemiC™. This is the second purchase order from AMC for US$1m. Representing total orders to date of over 100,000 units of ArtemiC™ By AMC. The order was secured with an immediate down payment of US$150,000 to cover the costs of raw materials.
- MGC Pharma was granted its first import permit by the Slovenian Ministry of Health for 200g of Psilocybin Raw Mushroom material to its Slovenian research facility from Psyence Group Inc's ('Psyence') Southern Africa production site as part of the material transfer agreement signed between the two companies. MGC Pharma will perform an analysis on the materials with a view to assist Psyence in the development of new psilocybin products to take to market, through its GMP-certified research facility in Slovenia.
- The Company conditionally raised £0.65 million (A$1.24 million) (before expenses) by way of a placing (Placing) and subscription (Subscription) of 541,666,667 new ordinary shares of no-par value (Ordinary Shares) in the capital of the Company (Fundraising Shares) at a price of 0.12 pence (0.23 cents) per Fundraising Share ("Issue Price"). The Company also agreed to issue one free attaching option exercisable at 0.12 pence (0.23 cents) with an expiry date of 14 July 2026 for every one Fundraising Share subscribed for under the Placement and Subscription.
- MGC Pharma successfully completed the pre-clinical Chronic Toxicology Evaluation of CimetrA®. The recently completed study was undertaken on 32 domestic swine, that received a study treatment (three dosages groups of CimetrA® and Placebo) for 14 days. During this period, the clinical parameters were recorded, blood (hematology, coagulation and chemistry) and urine tests were collected and sent to the histopathological evaluation. The study demonstrated that following the full chronic safety and toxicology analysis of CimetrA® in large animals – the drug was found to be safe. The histopathological analysis of the full organ's spectrum demonstrated all tissues of all animals were normal and unaffected. It was concluded that the test article at the dosage administered did not induce toxicological changes. No changes in the blood and urine samples were reported.
- The Company launched a Share Purchase Plan to its Australian shareholders to raise up to $2,685,728. The Company received applications from eligible shareholders totalling A$834,000 to subscribe for 362,608,570 new fully paid ordinary shares in the capital of the Company at A$0.0023 (0.23 cents) per Share, with A$1,851,728 to be placed under a Shortfall Offer. Subject to shareholder approval to be sought at the Company's upcoming general meeting on 5 September 2023, applicants will receive one free attaching option exercisable at A$0.003 (0.3 cents) each on or before 31 July 2026 (Options) for every two (2) Shares subscribed for under the SPP, being 181,304,269 Options.